

SENATE FINANCE COMMITTEE

April 29, 2021

9:17 a.m.

[9:17:26 AM](#)

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:17 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman
Senator Natasha von Imhof
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Lori Wing-Heier, Director, Division of Insurance, Department of Commerce, Community and Economic Development.

PRESENT VIA TELECONFERENCE

Nancy Giunto, Washington Health Alliance, Seattle, WA; Elizabeth Ripley, President, Matsu Health Foundation, Wasilla; John Freedman, President, Freedman Health Care, Massachusetts; Fred Brown, Executive Director, Pacific Health Coalition, Anchorage; Patrick Shier, Pacific Health Coalition, Wasilla; Peter Hayes, Healthcare Purchaser Alliance of Maine, Maine; Sandra Heffern, Effective Health Design, Anchorage; Bethany Marcum, Alaska Policy Forum, Anchorage.

SUMMARY

SB 93 HEALTH INS. ALL-PAYER CLAIMS DATABASE

SB 93 was HEARD and HELD in committee for further consideration.

#sb93

SENATE BILL NO. 93

"An Act relating to the establishment of an all-payer health claims database; and providing for an effective date."

9:18:31 AM

Co-Chair Bishop noted that SB 93 was being heard for the first time. He expressed his intention to hear and hold the bill.

9:19:29 AM

LORI WING-HEIER, DIRECTOR, DIVISION OF INSURANCE, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, discussed a presentation entitled "CSSB 93" (copy on file).

Ms. Wing-Heier looked at slide 2, "Health Care - Quadruple Aim," She commented that the topic of the cost of health care had been a focus of the legislature and the administration for years. She shared since 2014, when she became director of the insurance division, there had not been a legislative session in which discussions had occurred, or bills had been introduced, to address the concerns of the costs and access to health care. She observed that there were 56 bills related to health care currently at play during the legislative session. She spoke the slide and of the "quadruple aim" of the health care community: improved patient experience, better health outcomes, lower cost of care, and improved staff experience. She relayed that two of the sections of the quadruple aim, better health care outcomes and lower cost of care, could be addresses with an all-payer claims database. She said that the other two - the patient experience and the provider experience, could be addressed in time.

9:21:22 AM

Ms. Wing-Heier spoke to slide 3, "Broad Community Involvement":

- Administration and the Legislature
- Congressional delegation
- Tribal partners
- Chamber of Commerce and other business organizations
- Alaska Healthcare Transformation Project
- Alaskans for Sustainable Healthcare Costs
- Alaska Policy Forum
- Mat-Su Health Foundation
- Municipalities, School Districts, and Universities
- Insurance companies and insurance brokers
- Providers

Ms. Wing-Heier said that discussions had occurred among a broad range of health care community members.

[9:22:03 AM](#)

Ms. Wing-Heier referenced slide 4, "What is missing? Organized, succinct data":

Sources of Data

- AlaskaCare
- Medicaid
- Medicare
- Insurance Companies
- Third-Party Administrators
- Trusts and other Self-Insured Plans

Ms. Wing-Heier thought the bill would be a start in beginning to address the cost of healthcare in an efficient manner. She estimated that if the bill passed immediately, it would be three to five years before data was available, which meant that the longer the legislation languished, the longer it would take to make improvements in health care. She discussed the various data needed to assess health care needs in the state and lamented that there was not one depository for consolidating data.

[9:23:10 AM](#)

Ms. Wing-Heier turned to slide 5, "Many Reports - No Data," which showed images of health care reports ranging from 2009 to 2020. She relayed that the state had spent thousands of dollars over many years to study health care.

[9:23:39 AM](#)

Ms. Wing-Heier considered slide 6, "Alaska Health Care Commission and others." She asserted that informational reports on all fronts seemed to point to an all payer-claims database. She stressed that the number one constituent and consumer complaint was the cost and affordability of health care in Alaska.

9:24:09 AM

Ms. Wing-Heier displayed slide 7, "What is an All Payer-Claims Data Base?":

An All-Payer Claims Data Base (APCD) is a large database that includes medical, pharmaceutical, and dental claims. These databases are hosted, directly or through a contract, by states.

Public (i.e. Medicaid) and private payors (i.e. insurance companies and third-party adjusters) submit the data, in a pre-determined standard format, to the state.

Ms. Wing-Heier stressed that the data for the proposed database was already in existence. She discussed the type of data that the proposed aggregation would include. She stressed that the data would not have personally identifiable information. She noted that the format for the data would be

9:25:46 AM

Ms. Wing-Heier highlighted slide 8, "Who has an established APCD?" The slide showed a map of the United States colored according to which states had adopted an all-payer claims database or had expressed interest.

9:26:05 AM

Ms. Wing-Heier looked at slide 9, "If not now, when? If not us, who?":

If we are to continue with our partners, towards the Quadruple Aim of Health Care - we need to take the first step.

And the No Surprise Bill Act under the Consolidated Appropriation Act of 2021 - just gave us a gentle nudge.

[9:26:41 AM](#)

Ms. Wing-Heier addressed slide 10, "2020 No Surprise Bill," which showed images of bill pages. She shared that the Congressional delegation had been working to fix health care.

[9:27:02 AM](#)

Ms. Wing-Heier advanced to slide 11, "What the No Surprise Bill provides":

- Provides a structure to protect consumers against surprise medical bills and determining out-of-network provider payments including air ambulances
- Notice and consent provisions for balance billing of non-emergency services by non-participating providers at participating facilities
- Establishes requirements for provider directories
- Establishes a dispute resolution process for uninsured
- Provides guidance for continuity of care
- Requires insurers and other plans to have a price comparison tool
- Modifies requirement on insurance cards
- Requires plans to provide an advance explanation of benefits
- Encourages All-Payer Claims Databases and provides grants up to \$2.5 million to each state

Ms. Wing-Heier discussed the benefits under the No Surprise Bill.

[9:28:30 AM](#)

Ms. Wing-Heier looked at slide 12, "An APCD provision in the No Surprise Bill." She relayed that of the 5,500 pages, 15 pages referenced the APCD. She said that the U.S Secretary of Labor would set the format for the APCD and was the qualifying factor that the state would use to receive the \$2.5 million grant.

Co-Chair Bishop understood that the grant would come from the U.S. Department of Labor.

Ms. Wing-Heier corrected that the grant would come from the U.S. Department of Treasury.

Ms. Wing-Heier showed slide 13, "APCD -Grants - \$2.5 million":

The state shall submit an application, containing such information as the Secretary specifies including how the state will ensure uniform data collection and the privacy and security of data.

[9:29:23 AM](#)

Ms. Wing-Heier referenced slide 14, "Authorized Users":

An entity wanting access to the APCD, that has received a grant, shall submit to the State APCD an application for such access which shall include:

- In the case of an entity requesting access for research purposes a description of the uses and methodologies for evaluating health system performance using the APCD; and
- Documentation of approval of the research by an institutional review board, if applicable for a particular plan or research
- The entity shall enter into a data use and confidentiality agreement with the state -the agreement shall include a prohibition on attempts to reidentify and disclose individually identifiable health information and proprietary financial information
- If the entity is an employer, health insurance company, third-party administrator, or health care provider requesting access for the purpose of quality improvement or cost-containment, a description of the intended use of the data.
- Employers and employer organizations may request customized reports, at cost, subject to the requirements of privacy, security, and proprietary

financial information. •The state shall make available, to all eligible users, aggregate data sets -free of charge.

Ms. Wing-Heier noted that the data would be subject to HIPPA compliance.

[9:29:59 AM](#)

Senator Wielechowski asked whether the grants being provided would cover the costs of the health trust now and into the future.

Ms. Wing-Heier requested further clarification of the question.

Senator Wielechowski spoke to concerns that some costs would be covered now, but that it was unclear whether costs would be covered in the future.

Ms. Wing-Heier affirmed that the \$2.5 million would not cover costs into the future. She thought it would cost \$10 million to \$13 million to get the database started.

Senator Wielechowski discussed return on investment. He thought the APCD had been implemented in the State of Colorado, where he said information had been gathered but nothing had been done to change behaviors that would lower health care costs.

Ms. Wing-Heier stressed that she did not think the APCD was a silver bullet but considered that the database would allow for the identification of certain trends. She believed that it might not bring the costs down by 20 percent but would allow the state to stabilize and examine where dollars were spent. She thought subsequent invited testimony of experts would help to illuminate the success of similar databases across the country.

[9:32:34 AM](#)

Senator Wilson asked Ms. Wing-Heier to address how the legislation would help with larger health care problems, such as the 80th percentile rule, in the state.

Ms. Wing-Heier replied that the 80th percentile rule had been controversial. She stated that the database would

allow the state to compare with other states and Medicare, which would allow for comparisons to establish cost differences. He said that identifying surges of particular illnesses across the state would be possible, which would benefit the overall health of the state.

[9:34:08 AM](#)

Ms. Wing-Heier turned to slide 15, "Standardized format":

The Secretary shall establish, and periodically update, a standardized reporting format for voluntary reporting, by group health plans of:

- Medical claims;
- Pharmacy claims;
- Dental claims;
- Eligibility; and
- Provider files

Ms. Wing-Heier clarified that the information would be deidentified. She knew that there had been conversations about data breaches. She assured the committee the information would be protected.

Co-Chair Bishop asked whether the "secretary" identified on the slide was the secretary of Labor.

Ms. Wing-Heier answered in the affirmative.

[9:35:17 AM](#)

Ms. Wing-Heier considered slide 16, "CSSB93 - Sectional Analysis":

Section 1 Establishes a new chapter 92 in Title 21 with the following sections: Section 21.92.010 -All-payer claims database (APCD) is established.

- (a)Defines the purpose of a statewide APCD:
- 1)collect and analyze existing health care cost and quality data;
 - 2)create a central repository that is objective and reliable;
 - 3)provide transparent access to health care information while protecting individual privacy and proprietary data; and

4) enable researchers, policymakers, and the public to make informed decisions regarding health care.

(b) APCD must provide:

1) publishable analytics to improve transparency;
2) systematic collection of data; and

3) enhanced transparency. (c) The director may:

1) require an insurer to submit data;

2) establish penalties to ensure compliance;

3) create agreements for voluntary reporting;

4) solicit, receive and administer funding from public and private sources;

(5) establish, by regulation, a schedule of reasonable fees to be charged to an authorized requestor that is a business entity for the use and distribution of data from the database to the business entity; and

6) carry out other activities.

Ms. Wing-Heier affirmed that there was no part of the bill that would require a union trust to submit data.

Ms. Wing-Heier continued to address the Sectional Analysis on slide 16:

Section 21.92.020 -Selection and duties of lead organization.

(a) By competitive bid, the director shall select an organization to manage the APCD.

(b) The selected organization shall:

1) apply to be certified as a qualified entity under 42 C.F.R. 401.703(a) by the Centers of Medicare and Medicaid;

2) enter into a contract with a data vendor or multiple data vendors to perform data collection, processing, aggregation, extracts, and analytics;

3) be responsible for internal governance, management, and operations of the database;

4) engage stakeholders in the development and maintenance of the database;

5) provide an annual report to the director regarding the status of the database and any recommendations for change;

6) establish a process for making claims and other data from the database available for use and distribution upon request to authorized users;

- 7) engage consumer protection stakeholders and the community in the process to ensure claims and other data from the database are available in a format accessible to all authorized requesters;
- 8) prepare a health care data report each calendar year that aggregates and analyzes the data submitted to the database; and
- 9) perform other duties as required by the director to fulfill the purposes of this chapter

9:37:38 AM

Senator Wielechowski asked whether Ms. Wing-Heier had stated that participation by a health trust was voluntary.

Ms. Wing-Heier answered affirmatively. She said that there was no language in the bill that mandated the trust to provide data.

Ms. Wing-Heier continued to address slide 16:

Section 21.92.030 -Confidentiality.

(a) The APCD shall be secure and confidential and shall not be subject to public records public inspection. Aggregated information can be shared as provided in regulations. Individually identifiable health care information will be confidential; and

(b) Information in the database will not be subject to subpoena in any civil, criminal, judicial, or administrative proceeding.

Section 21.92.040 -Eligibility for state grants

(a) A health care insurer that is required to submit health care data to the statewide all-payer claims database may not receive a state grant unless the insurer submits the data as required in AS 21.92.010.

(b) A health care payer that is required to submit health care data to the statewide all-payer claims database may not receive a state grant unless the insurer submits the data as required in AS 21.92.010.

Section 21.92.040 -Regulations.

Allows for the director of the Division of Insurance to adopt regulations.

9:39:11 AM

Co-Chair Bishop wanted to have the Department of Law address the section of the bill related to subpoenas.

Co-Chair Bishop opened invited testimony.

9:40:11 AM

NANCY GIUNTO, WASHINGTON HEALTH ALLIANCE, SEATTLE, WA (via teleconference), spoke to her experience with the Washington Health Alliance. She stated that much of the work of the organization came from a voluntary all peers claim database started in 2007. She shared that her organization was considered a trusted and neutral third party. She reiterated that all parties involved submitted demographic and pricing information voluntarily. She stressed that security of patient data was vital, and many precautions were taken to ensure patient information safety. She shared that reports were developed collaboratively in a robust committee structure, and [participants helped to decide what was reported and how it was reported. She explained that employers and union trusts used the information to design benefits and to inform wellness program initiatives. She added that providers used the work in their quality improvement efforts and health care plans used the data for marketplace benchmarking. She highlighted two recent reports that showcased how the APCD was used in Washington and how it might be used in Alaska. She mentioned the Community Check-Up report, which included data on health care quality across the State of Washington. The findings had consistently showed that the door patients walked through was directly related to the quality of care they received. She related that the quality of care between medical groups in the state varied. She said that the second report titled, "First Do No Harm". She said that care that was not based on clinical evidence was wasteful and caused harm to patients either physically, mentally, or financially. She asserted that the report revealed that there were 47 common procedures and treatments that were consistently overused by trusted national clinical experts. She said that over a four-year period, 51 percent of the services measured were of low value, and over \$703 million had been spent on this unnecessary care in the State of Washington. She stated that there were several initiatives underway to eliminate wasteful care. She applauded the State of Alaska for considering APCD and offered full support for passage of the legislation in Alaska.

9:44:39 AM

Senator von Imhof asked whether there were members of the Washington Health Alliance from Alaska.

Ms. Giunto answered affirmatively. She said that Primera was a member as well as several others.

Senator von Imhof asked which union trusts were part of the Washington Health Alliance.

Ms. Giunto responded that a group led by Fred Brown was a participant. She could not recall the name of the group.

Senator von Imhof understood that the Alaska State Employees Association and the Public Employees Local 71 belonged to the Washington Health alliance and were participating in the database.

Ms. Giunto explained that her organization worked with local AFL-CIOs, but she did not believe that the two organizations mentioned by Senator von Imhof were participants.

9:45:58 AM

ELIZABETH RIPLEY, PRESIDENT, MATSU HEALTH FOUNDATION, WASILLA (via teleconference), testified in support of the bill. She shared that Alaska led the nation in health care costs. She lamented that cost shifting of rising health care costs by businesses and governments on to their employees kept wages flat. She offered the example of the Mat-Su School District where teachers wages had not kept pace with the cost of living because benefit costs had increased. She asserted that businesses and governments could not manage health care costs because they did not know what they were paying for. She believed that this was one of the major the reasons why the medical claims data was needed. She said that federal state transparency laws only reflected charges; transparency of costs and claims data. would provide adequate information for customers to meaningfully budget. She listed various reasons why the claims data was critical for improving health care in the state. She spoke of the costs of behavioral health visits and the difference between the actual costs versus what was claimed. She said that the claims data could be used to inform local intervention and to lobby for regulatory and

statutory changes that would reduce the cost of healthcare for citizens and businesses. She said that the foundation was committed to the intent of the legislation. She cited a letter of support for the bill (copy on file).

9:49:41 AM

JOHN FREEDMAN, PRESIDENT, FREEDMAN HEALTH CARE, MASSACHUSETTS (via teleconference), spoke in support of the bill. He shared that he served as a physician, working with his colleagues to help state government on policy and health care improvements, with a special focus on APCD. The company had been selected by the Alaska Healthcare Transformation Project to work on an assessment of the APCD. He referenced a report entitled "Assessing the Feasibility of a Sustainable Alaska All-Payer Claims Database," (copy on file).

Mr. Freedman discussed that health data was necessary to drive systemic improvement in health care in Alaska. He shared that during the current pandemic several states had used APCD to target specific health interventions by identifying the most at-risk members of their population for Covid-19; additionally, those states had also studied trends in tele-health and examined varying costs by provider and geographic location. He discussed the cost of running an APCD, including identifying a lead non-profit organization with expertise in data management. The start-up phase of an APCD typically could take up to 12 months and could cost roughly \$200,000 to \$300,000 to secure stakeholder participation. He estimated that the foundational year would cost approximately \$1 million. He furthered that once the APCD started to generate reports the annual cost could increase \$2 million, depending on the volume and complexity of data requests. He said that once the program was at full operation additional upgrades could cost up to \$1 million in additional funds.

9:54:36 AM

Mr. Freedman thought given the recent federal legislation the proposed bill had good timing.

9:55:00 AM

Senator von Imhof thought Mr. Freedman had indicated he worked with over 20 states on the issue.

Mr. Freedman affirmed that he had worked with over 20 states, most of which were continuing, but that Tennessee had launched a program with a narrow mandate, which had proved nonvaluable.

Co-Chair Bishop asked whether there had been any states that had been able to realize savings because of the ACPD.

Mr. Freedman relayed that no states had been able to publish documented savings in an analytical review. He asserted that the program offered other value, outside of cost savings, that benefitted health care customers and providers. He said that some of the benefits could not be charted in a quantifiable manner.

[9:57:45 AM](#)

Co-Chair Stedman wondered why states were not able to quantify savings using the data.

Mr. Freedman replied that health costs were volatile from year to year, and it was difficult to know that an intervention resulting in savings during any given year was simply coincidental. He remarked on the disparate benefits of the APCD.

[9:59:32 AM](#)

Co-Chair Stedman commented on Alaska's unique geography and the different health care cost structures in the state. He asked whether an APCD would help with comparing costs within the state and across the nation.

Mr. Freedman stated that data would enable immediate comparison of procedure costs and costs of care within the state. He considered that it would be possible to use the data to examine whether care should be local or otherwise. He mentioned the forthcoming federal standards, which would allow for better comparison from state to state.

[10:01:25 AM](#)

Senator Wielechowski was curious about the granularity of the data. He asked whether it would be possible to pinpoint opioid overuse in a small village.

Mr. Freedman affirmed that it was possible to identify local opioid hotspots or infectious disease outbreaks down to the individual, without personal data. He thought another important use case was for benchmarking and comparing community practices. He believed that sharing of data created the opportunity to raise standards across the state.

[10:03:15 AM](#)

Ms. Wing-Heier interjected that she was quite cognizant of confidentiality considerations for the small villages in the state and would not aggregate data to a village of less than 100 people. She said that communicable disease outbreaks in small communities would not be tied to one small village.

Senator Wielechowski stressed the importance of the issue. He was concerned that people that had had abortions, people with AIDS, and people in small communities could be targeted for their health care choices and practices.

Mr. Freedman associated himself with Ms. Wing-Heier's comment. He stated that there were well-established privacy protections under Alaska state law and HIPPA. He acknowledged Senator Wielechowski's valid concern and thought other states had handled the issue well.

[10:06:19 AM](#)

Senator von Imhof wanted to point out that there were 20 or more states that had started using an all-claims database, to the point where a manual had been drafted. She had been involved with the issue for five years and shared that the question of economic benefit had been at the forefront of discussions. She mentioned the importance of isolating factors within the data. She asserted that it was very difficult to print and publish definitive economic impacts. She thought the database could provide information about where dollars were spent and to compare regions within the state and nation in order to focus limit fund in the highest impact areas.

[10:08:02 AM](#)

Senator Wielechowski wondered whether a provision could be added that gave patients the choice in whether their data was entered into the database.

Ms. Wing-Heier replied that she was not sure how that would work.

[10:08:45 AM](#)

Senator von Imhof stated she was working on a potential amendment with a description of a governance committee. The committee would have no fewer than 10 members, no more than 20, all members would be Alaskans. She said that the committee would be tasked with developing privacy policies pertaining to the data.

Co-Chair Bishop asked if there were more questions for Dr. Freedman.

[10:10:45 AM](#)

FRED BROWN, EXECUTIVE DIRECTOR, PACIFIC HEALTH COALITION, ANCHORAGE (via teleconference), relayed that he had submitted written testimony (copy on file). He expressed concern with certain features of the bill. He thought that, as had happened in Colorado, the database could end up costing the state much more than the initial federal grant. He referred to slide 18 of the presentation and stated that documentation submitted in the record suggests that public sector union trusts would be expected to participate. For example, the December 9, 2020, Freedman Healthcare study recommends that all public employee health plans be required to participate in reporting to the APCD. He wondered whether union trust participation would be mandatory. He worried about penalties for those who did not choose to contribute. He referred that committee to his written testimony.

[10:16:51 AM](#)

Mr. Brown concluded his testimony.

[10:17:09 AM](#)

Co-Chair Bishop asked whether Ms. Wing-Heier could comment on the testifiers concerns.

Ms. Wing-Heier turned to slide 18, "Nearly 70% of Alaskans Covered," which showed a table entitled 'Table 1: Types of Coverage.' She stressed that the union trust data would not be mandated. She furthered that the table did not mandate who had to contribute to the database, but to show a representation of the state's population.

Mr. Brown reiterated that he had a question about the intent of the penalty provision in the grant portion of the bill. He understood that grants could be lost due to lack of participation.

Ms. Wing-Heier explained that the provision was intended to apply to health insurance companies and health insurance payers, and not for unions. She asserted that municipalities and school districts were unionized and were not within the data.

[10:19:57 AM](#)

Senator von Imhof reiterated that she had been studying the concept for many years and had written an article on the subject for the Alaska Business Monthly in 2014. She had found that there were many individuals and entities in the state that significantly profited from health care in the state. She contended that there were many in the Alaska health care industry that profited significantly by keeping the flow of dollars health care opaque, lest the profiteering they experienced be revealed. She thought if there was hesitancy behind the APCD, it could indicate that an entity did not feel comfortable having their financial information exposed.

Senator von Imhof continued her remarks. She mentioned the amendment she was drafting. She said that if Mr. Brown was concerned that public dollars would be used for the database perhaps, he could contribute financially to the cause.

[10:21:51 AM](#)

AT EASE

[10:22:03 AM](#)

RECONVENED

Senator Wielechowski wanted to give Mr. Brown an opportunity to respond to the assertion that health care trusts could lose profits due to and APCD.

Mr. Brown affirmed that the Pacific Health Coalition was a non-profit organization.

10:23:11 AM

Senator Wilson asserted that "non-profit" did not mean that an entity did not make a profit, but rather the entity had to re-invest profits. He queried the total revenue of the trust. He understood that one trust entity in the state averaged \$60 million per year.

Mr. Brown replied that Senator Wilson as not speaking about any of the trusts in the Pacific Health Coalition.

Senator Wilson asked about the average revenue of the health care trusts under the coalition.

Mr. Brown agreed to follow up with the information. He believed that the net income to the trust was relatively minimal.

10:24:26 AM

PATRICK SHIER, PACIFIC HEALTH COALITION, WASILLA (via teleconference), relayed that he was available to answer questions.

10:25:01 AM

PETER HAYES, HEALTHCARE PURCHASER ALLIANCE OF MAINE, MAINE (via teleconference), testified that Maine had had an APCD for three decades, which had been privately funded in the beginning. He pivoted to share some success stories to illustrate the value of the APCD.

Mr. Hayes addressed the importance of having the right provider, which he thought could make the difference between life and death for patients. He stated that the right price was very important. He relayed that before the APC Maine had some of the most unsafe hospitals in the country and was now rated 3rd in the U.S. for safety. He shared several anecdotes illustrating how the APCD data had improved quality and cost of care for patients in Maine.

10:29:45 AM

Mr. Hayes continued his remarks. He said that the tangible benefits of the APCD were many. He expressed support for the legislation.

10:32:16 AM

SANDRA HEFFERN, EFFECTIVE HEALTH DESIGN, ANCHORAGE (via teleconference), explained that she was a consultant with the Alaska Healthcare Transformation Project. She asserted that the APCD would assist in the endeavor to provide reliable and accurate health care data that could be used to inform how the state was spending on health care, the cost drivers, and to inform health care policy. She stressed that the fundamental area that needed to be in place for market factors to work in health care was sufficient information on price and quality. She shared that in 2019, she had reviewed over 300 reports and studies that had been completed in the past ten years on the Alaska health care system. The reports provided information on many of the issues facing Alaskans yet provided limited generalizable information that could be used to address systemic solutions. She noted that recent aggregate data was hard to gather and believed that an APCD would be a beneficial tool.

Ms. Heffern continued her remarks. She commented that a return on investment was hard to quantify but asserted that states with an ACPD were able to pinpoint where to expend energy and health care dollars. She said the project had issued a request for information from existing lead organizations to see if there was potential interest in helping Alaska should the establishment of an APCD be prove successful. She stated that four responses were used to craft a formal RFP from the Division of Insurance. The areas included security and privacy of data. In conclusion, she recognized that an ACPD would not lower the cost of healthcare. However, the data would assist in making policy decisions. She emphasized that submittal of information to and APCD would be voluntary.

10:36:43 AM

Ms. Heffern reiterated that the information that could be gleaned from an APCD would be invaluable in the effort to approve the health care of Alaskans.

[10:37:22 AM](#)

BETHANY MARCUM, ALASKA POLICY FORUM, ANCHORAGE (via teleconference), asserted that many studies had been conducted on the high cost of health care in Alaska. She said that good data would be required to understand the cost drivers. She asserted that Medicaid data had been used by the federal government to come to false conclusions. She said that an APCD, as proposed in the bill, could allow for the collection of information for beneficial use to the state. She urged the committee to consider the cost of the project. She hoped the committee would consider how the project would be funded into the future. She cautioned the committee to use fiscal restraint but also to consider how the database would benefit the state.

[10:40:12 AM](#)

Ms. Wing-Heier thanked the committee members for their time. She acknowledged that the subject was complicated but necessary discussion.

SB 93 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[10:41:38 AM](#)

The meeting was adjourned at 10:41 a.m.